

INR/RNA: H R SINDELAR:M G BANNERMAN:BAL  
L#12/17#127/76 EXT 21889  
INR:MPACKMAN

DIA, DOS & NSA review(s) completed.

S/S-0:

**IMMEDIATE**

**SECRETARY**

MORI/CDF Per  
C03205483

EXDIS CODEWORD CHANNEL

E.O. 11652: XGDS-2

TAGS: L3+E

SUBJECT: ANALYSIS OF ARAB-ISRAELI DEVELOPMENTS  
SITREP NO. 18, 0100 ACAPULCO TIME, DECEMBER 28, 1976

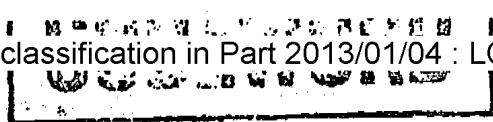
TOP SECRET UMBRA/HANDLE VIA COMINT CHANNELS ONLY  
GAMMA CONTROLLED ITEM.

L41. THE PLO SEEMS TO BE WORKING TO IMPROVE RELATIONS WITH EGYPT, JORDAN, AND SYRIA. ATTENTION IS BEING PAID TO THE LATTER TWO STATES BECAUSE RELATIONS WITH THEM HAVE BEEN PARTICULARLY STRAINED. YOU WILL RECALL THAT PLO POLITICAL CHIEF QADDUMI EMPHASIZED IN A RECENT INTERVIEW THAT THE PALESTINIANS WERE SIGNIFICANTLY BROADENING THEIR POLITICAL LEADERSHIP AND CHANGING POLICY POSITIONS IN ORDER TO COME MORE INTO LINE WITH THE AP~~4~~ OTHER ARABS.

MP  
HRS  
SR  
S/S-0

25X1

**TOP SECRET**



FORM DS 322A(CCR)

TOP SECRET

1 2

25X1

23. SYRIA UNDOUBTEDLY HAS THE GREATEST INFLUENCE WITHIN PLO COUNCILS AS A RESULT OF ITS FIRM IMPOSITION OF CONTROL OVER THE PALESTINIANS IN LEBANON'S CIVIL WAR.

25X1

ARAFAT RELIZES

ARAFAT REALIZES THAT THE PLO MUST BEND SOMEWHAT TO THE SYRIANS TO AVOID FURTHER PLO SETBACKS AND TO DAMPEN AS MUCH AS POSSIBLE ASAD'S ATTEMPT TO OBTAIN A MORE MODERATE AND SYRIAN-ORIENTED PLO LEADERSHIP. SUCH A REALIZATION ON ARAFAT'S PART WOULD BE IN LINE WITH HIS WIDELY REPORTED RECONCILIATION WITH ASAD AT THE PCC MEETING.

4. ALTHOUGH THE PLO DID NOT MAKE ANY SIGNIFICANT CHANGES IN ITS POLICY POSITIONS AT THE MID-DECEMBER PCC MEETING, THE PLO APPARENTLY DID ENUNCIATE SEVERAL VIEWS WHICH SEEM TO BE COMPATIBLE WITH THE ARAB "PEACE OFFENSIVE" AND WITH THE EGYPTIAN AND SYRIAN EFFORTS TO COORDINATE A

25X1

TOP SECRET

FORM DS 322A(OCR)

TOP SECRET

13

5. AMBASSADOR MURPHY REPORTED THAT THE YUGOSLAV AMBASSADOR TOLD HIM THAT THE PCC HAD FOCUSED PRIMARILY ON THE NEED TO SOLIDIFY THE PLO'S RANKS. AS PART OF THIS EFFORT, THE PCC HAD UNANIMOUSLY AGREED TO EXPAND THE PNC'S MEMBERSHIP TO INCLUDE REPRESENTATION MEMBERSHIP TO INCLUDE REPRESENTATIVES FROM JORDAN AND THE "OCCUPIED TERRITORIES." THE NUMBER OF ADDITIONAL MEMBERS, HOWEVER, REMAINED UNRESOLVED.

6. IN ISRAEL, BOTH RABIN'S LABOR PARTY AND THE OPPOSITION LIKUD HAVE ISSUED SIMULTANEOUS ANNOUNCEMENTS AGREEING ON A COMPROMISE DATE OF MAY 17 FOR NEW KNESSET ELECTIONS, ACCORDING TO REUTER.

7. MEANWHILE, PRESIDENT KATZIR MET WITH LEADERS OF LIKUD AND OF THE TWO RELIGIOUS PARTIES ON DECEMBER 16~~26~~ AS PART OF HIS CONSULTATIONS--A LEGAL FORMALITY--ON THE POSSIBILITY OF FORMING A NEW GOVERNMENT. AP REPORTED THAT LIKUD LEADER BEGIN ASKED KATZIR YESTERDAY TO ALLOW HIS PARTY TO FORM A CARETAKER GOVERNMENT TO SERVE UNTIL THE ELECTIONS. BEGIN REPORTEDLY CLAIMED THAT HE COULD MUSTER MAJORITY SUPPORT IN THE KNESSET, BUT KATZIR IS STILL EXPECTED TO APPOINT RABIN TO HEAD A CARETAKER GOVERNMENT.

~~8. HISTADRUT GENERAL SECRETARY MESHEL TOLD AMBASSADOR TOON, DECEMBER 27, THAT ISRAEL-ARAB NEGOTIATIONS AND FOREIGN POLICY WILL AGAIN BE THE MOST IMPORTANT ELECTION ISSUE. IN HIS~~

8. HISTADRUT GENERAL SECRETARY MESHEL TOLD AMBASSADOR TOON, DECEMBER 27, THAT ISRAEL-ARAB NEGOTIATIONS AND FOREIGN POLICY WILL AGAIN BE THE MOST IMPORTANT ELECTION ISSUE. IN MESHEL'S VIEW, RABIN IS PREPARED TO NEGOTIATE THE FUTURE OF THE WEST BANK AND GAZA AND TO MAKE SIGNIFICANT TERRITORIAL CONCESSIONS (BUT NOT A RETURN TO PRE-1967 BORDERS. MESHEL BELIEVES THAT A RABIN VICTORY IN THE ELECTION WOULD CONSTITUTE A POPULAR MANDATE IN FAVOR OF A NEGOTIATED SETTLEMENT.

9. RABIN FIRED WHAT APPEARS TO BE AN EARLY SALVO IN HIS EFFORT TO MAKE FOREIGN POLICY THE PRINCIPAL ELECTION ISSUE YESTERDAY IN A TIME INTERVIEW. HE STATED THAT ISRAEL'S EFFORTS TOWARD A MIDDLE EAST PEACE "WILL NOT STOP" DURING THE ELECTION CAMPAIGN. HE SAID THAT "MINISTERS COME AND GO, BUT ISRAEL WON'T LEAVE THE FLOOR TO THE ARABS."

TOP SECRET

CONTINUED

FORM DS 322A (OCR)

TOP SECRET

14

10. FAHMY STATED IN AN INTERVIEW WITH MONTE CARLO RADIO, DECEMBER 26, THAT HE DOUBTED WHETHER A RABIN VICTORY IN THE ELECTION AND THE CONCLUSION OF THE ELECTION AT AN EARLY DATE WOULD STRENGTHEN RABIN IN MOVING TOWARD A PEACEFUL SOLUTION. THE EGYPTIAN FOREIGN MINISTER ALSO OBSERVED THAT, PARTICULARLY AS A RESULT OF THE ARAB PEACE OFFENSIVE, THE DOMESTIC BATTLE IN ISRAEL WAS INTENSE. HE CHARACTERIZED ISRAELI POLICY AS MARKED BY FUMBLING, HESITATION, AND CONTRADICTION.

TOP SECRET

CONFIDENTIAL

TOP SECRET

5

11. LEBANON:

--HEAVY WEAPONS: REUTER QUOTED A PALESTINIAN SPOKESMAN AS SAYING THAT THE PALESTINIANS ARE WITHDRAWING THEIR HEAVY WEAPONS FROM LEBANON'S CITIES, BUT WOULD RETAIN THEIR HEAVY ARMS IN AREAS BORDERING ON ISRAEL TO DEFEND THEMSELVES AGAINST ISRAELI ATTACKS. SOME PALESTINIANS ARMS REPORTEDLY HAVE BEEN PULLED OUT OF TRIPOLI. HOWEVER, EMBASSY BEIRUT NOTED THAT PRESS ACCOUNTS CONFLICT AS TO WHETHER AN AGREEMENT WAS REACHED ON THE HEAVY WEAPONS ISSUE AT THE DECEMBER 24 MEETING OF THE QUADRIPARTITE SUPERVISORY COMMITTEE. THE COMMITTEE DID NOT ISSUE A STATEMENT, AND REPORTEDLY WILL NOT MEET AGAIN UNTIL AFTER NEW YEAR'S.

--KHADDAM-HEAVY WEAPONS: KHADDAM COMMENTED TO AMBASSADOR MURPHY THAT SYRIA WAS NOT PLEASED WITH THE CONTINUED DELAYS WHICH HAVE ARISEN OVER THE COLLECTION OF HEAVY WEAPONS. THE SYRIANS BELIEVE THAT SARKIS IS NOT BEING ACTIVE ENOUGH IN THIS REGARD. IN A PROBABLE INDICATION OF SYRIAN DISPLEASURE, THE SYRIAN REPRESENTATIVE WAS NOTABLY ABSENT FROM THE DECEMBER 24 MEETING OF THE SUPERVISORY COMMITTEE.

--SOUTH LEBANON: EMBASSY BEIRUT REPORTED THAT A LEBANESE MILITARY SOURCE HAD SAID NABATIYAH WAS SHELLED BY CHRISTIAN ARTILLERY ON DECEMBER 24-25 AFTER PALESTINIAN/LEFTISTS INITIATED ARTILLERY FIRE ON CHRISTIAN POSITIONS NEAR MARJAYOUN. AS WELL, AN ISRAELI MILITARY SPOKESMAN ACCUSED THE PALESTINIANS OF FIRING TWO KATYUSHA ROCKETS INTO ISRAEL OVER THE WEEKEND.

--LEBANESE ARMY: ACCORDING TO OUR BEIRUT DEFENSE ATTACHE, THE PRESENT COMMANDER OF THE LEBANESE ARMY, GENERAL SAID, WILL SOON BE REPLACED BY AN AS YET UNDETERMINED OFFICER. AT PRESENT, LEBANON'S ARMY IS FRACTURED INTO FOUR GROUPS: CHRISTIANS, THE LAA, THE SYRIAN-SPONSORED "VANGUARDS," AND NEUTRALS. EVEN TOP LEBANESE OFFICERS REPORTEDLY ARE UNCLEAR AS TO THE ARMY'S PRESENT SIZE AND MAKE UP.

--AL-HUSS-LIBYA: BEIRUT RADIO REPORTED THAT PRIME MINISTER AL-HUSS WOULD GO TO LIBYA TO DISCUSS FINANCIAL AID TO LEBANON WITH QADHAFI.

--BUTROS-SOVIETS: DEFENSE MINISTER BUTROS CONFERRED YESTERDAY WITH THE SOVIET AMBASSADOR IN BEIRUT.

TOP SECRET

CONFIDENTIAL

TOP SECRET

12.

ARAB-ISRAELI:

--RABIN-PERES: EMBASSY TEL AVIV COMMENTED THAT THE RABIN-PERES RIVALRY FOR THE LEADERSHIP OF THE LABOR PARTY IS THE MAIN TOPIC OF POLITICAL CONVERSATION AND PRESS SPECULATION IN ISRAEL. DESPITE PERES' SILENCE ON THE MATTER, POLITICAL COMMENTATORS HAVE TAKEN FOR GRANTED HIS INTENTION TO CHALLENGE RABIN. IN THE EMBASSY'S VIEW, EBAN'S DECLARED AVAILABILITY FOR PRIME MINISTER HAS NOT AFFECTED THE CONSENSUS THAT THE CONTEST IS BETWEEN RABIN AND PERES. THE BELIEF NOW IS THAT LABOR'S DECISION ON A PARTY HEAD WILL NOW BE MADE BY THE PARTY'S EXISTING EXECUTIVE COMMITTEE, OR LESS LIKELY, AT LABOR'S PARTY CONVENTION, RATHER THAN AFTER THE CONVENTION AS ANTICIPATED EARLIER.

--EGYPT: THE EGYPTIAN DAILY AL-AHRAM REPORTED YESTERDAY THAT SADAT HAS REQUESTED THAT THE US AND THE SOVIET UNION SUBMIT WRITTEN STATEMENTS OUTLINING THEIR PLANS FOR ACHIEVING A SOLUTION IN THE MIDDLE EAST. THE ISSUES THAT THE EGYPTIANS WISH TO BE INFORMED ON ARE:

--ISRAELI WITHDRAWAL FROM "OCCUPIED TERRITORY";

--INTERNATIONAL AND BILATERAL GUARANTEES;

--DEMILITARIZED ZONES; AND

--THE STATUS OF JERUSALEM.

--SADAT-JEWISH LEADERS: ACCORDING TO REUTER, THE PRESIDENT OF THE WORLD JEWISH CONGRESS, DR. NAHUM GOLDMAN, SAID YESTERDAY THAT THERE IS A "GOOD CHANCE" SADAT WOULD MEET WITH A GROUP OF JEWISH LEADERS ON A DATE TO BE SET A LATER. GOLDMAN DID NOT SAY WHAT NATIONALITIES THE JEWISH DELEGATION WOULD BE, BUT INDICATED THEY WOULD NOT BE ISRAELI.

TOP SECRET

**Page Denied**

TOP SECRET

14.

INTERNATIONAL:

--KHADDAM VIEWS: IN A CONVERSATION WITH AMBASSADOR MURPHY, KHADDAM MADE THE FOLLOWING POINTS ON SYRIAN-EGYPTIAN UNITY AND THE MIDEAST PEACE PROCESS:

--THE COMMITTEES TO STUDY SYRIAN-EGYPTIAN UNITY WILL BE ESTABLISHED WITHIN A FEW WEEKS, AND HE BELIEVES THEY WILL COMPLETE THEIR WORK IN 6 MONTHS;

--THE DEGREE OF UNITY WILL BE SOMETHING LESS THAN THAT ENVISIONED BETWEEN SYRIA AND JORDAN, BUT FAR MORE THAN THAT OF THE CONFEDERATION OF ARAB REPUBLICS;

--HE BELIEVES THE GENEVA CONFERENCE CANNOT CONVENE BEFORE ISRAEL'S ELECTIONS AND THE FORMATION OF A NEW ISRAELI GOVERNMENT;

--KHADDAM DISASSOCIATED HIMSELF FROM PRESS SPECULATION THAT THE ISRAELI CABINET CRISIS WAS A MANEUVER TO BLOCK THE ARAB PEACE INITIATIVE, AND INTERPRETED IT AS CAUSED PURELY BY DOMESTIC ISRAELI POLITICS.

25X1

TOP SECRET